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A MODEL FOR MBO IN THE AIR FORCE

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and

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AND MANAGEMENT
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FINAL REPORT



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DEAN OF THE FACULTY
UNITED STATES AIR FORCE ACADEMY
COLORADO 80840

Editorial Review by Lt Col Elser
Department of English
USAF Academy, Colorado 80840

This research report is presented as a competent treatment of the subject, worthy of publication. The United States Air Force Academy vouches for the quality of the research, without necessarily endorsing the opinions and conclusions of the author.

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This research report has been reviewed and is approved for publication.


PHILIP J. ERDLE, Colonel, USAF
Vice Dean of the Faculty

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20. ABSTRACT (Continue on reverse side if necessary and identify by block number) Presented in this paper is a philosophy of MBO which has received widespread acceptance in the Air Force. The steps of the MBO process; goal setting, action planning, self-control, and periodic reviews are all discussed with the goal of establishing a viable MBO program. Some of the potential pitfalls of implementing MBO are also discussed, along with suggested methods of coping with the problems. The paper concludes with a summary of specific advantages of a good MBO program. An annotated bibliography is included to serve as a guide to current MBO literature.			

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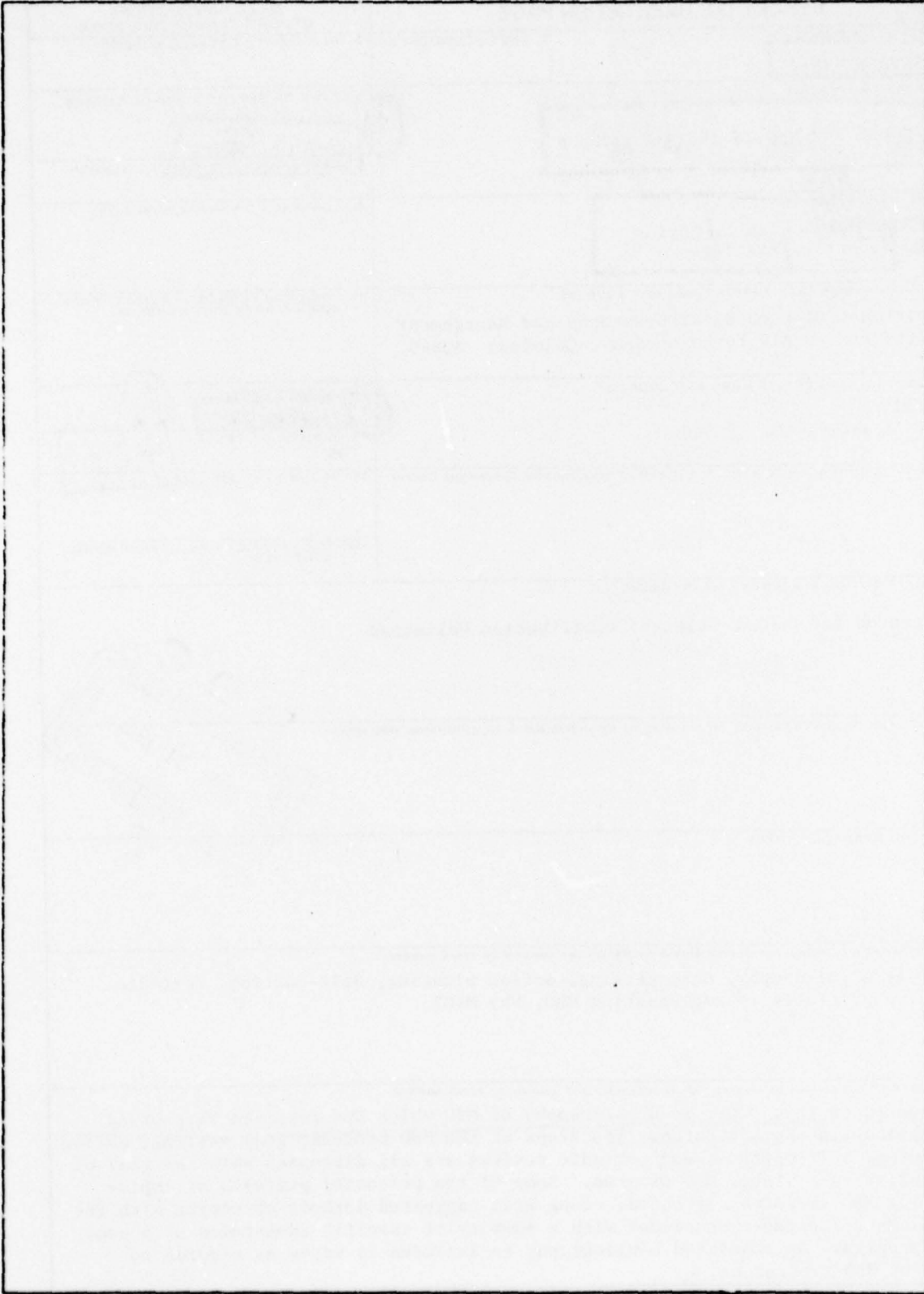
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INTRODUCTION

In the past few years, management by objectives has become a more common force within the Air Force. Many major commands and subordinate organizations have adopted a management by objectives program in an attempt to better define the objective-setting process and management accountability for their programs and agencies. As more Air Force personnel encounter MBO programs, it is necessary that commanders and managers be familiar with the wealth of source material available in implementing specific programs.

The purpose of this report is twofold. First, an MBO philosophy is presented to provide a common reference base for those interested in adopting or implementing a management by objectives program. Since there are a number of varying interpretations and a confusing set of alternatives, the commander or manager must decide upon a single methodology. This report, thus, describes one alternative which has received widespread acceptance in the Air Force. As a second purpose, and a major contribution, this report contains a comprehensive annotated bibliography of books and periodicals which relate MBO to the needs of Air Force commanders and managers. These source materials for MBO programs can identify useful educational materials which individuals can adopt for their individual management by objectives program.

MBO as a Philosophy of Management

Currently MBO is one of the most popular and well-known management techniques in industry and government. Historically, Peter Drucker established the concept of MBO in his 1954 book, The Practice of Management. After numerous revisions and refinements, this concept is best stated as a philosophy of management and defined as:

But management by objectives and self-control may legitimately be called a 'philosophy' of management. It rests on a concept of the job of management. It rests on an analysis of the specific needs of the management group and the obstacles it faces. It rests on a concept of human action, human behavior, and human motivation. Finally it applies to every manager, whatever his level and function, and to any business enterprise whether large or small. It insures performance by converting objective needs into personal goals.¹

The assumptions behind this management philosophy are:

1. People will commit themselves to goals they participate in setting.
2. People will perform better if they can measure their progress.
3. People are goal oriented and desire to make a significant contribution to the organization if given the opportunity.
4. Results are more important than means; managers will be more effective through pro-acting rather than reacting.

¹Peter F. Drucker, The Practice of Management (New York: Harper & Brothers Publishers, 1954), p. 136.

5. Delegation and mutual agreement are viable management tools.

6. People perform better when they have some control over their own destiny.

In essence, MBO is a participative management style where the manager and subordinates set goals together that are in line with the stated goals and objectives of the total organization.

The MBO process consists of four steps which require inter-dependent activities at all levels of the organization. The four steps of MBO are:

1. goal setting,
2. action planning,
3. self-control, and
4. periodic reviews.

The most important consideration for a successful MBO program is that the MBO process requires a commitment from top management to share the goal setting responsibilities within the organization.

Goal Setting

At the organizational level, the commander and his staff establish the goals. Ideally, these goals or objectives focus on a few "key result areas." These key result areas are the half dozen or so major programs which the commander and his staff feel are most important to accomplish during the given time period. Normally this time period is one year.

From these organizational goals, second-level managers (division or branch chiefs) are then able to work with their subordinates in defining unit goals. This is where shared responsibility is most important. Each manager, working with his subordinates, jointly establishes tangible, measurable, and verifiable objectives that are in consonance with the organizational goals. Goals must be written that are clear, relevant and prioritized, so that managers are constantly aware of what must be done and when. Thus, the setting of milestones or achievement levels throughout the MBO period is an important requisite for later feedback and control sessions.

The best way to establish corporate goals is through suggestions from all members of the organization combined with a staff "brainstorming" session. Care must be taken to avoid parochialism and a restatement of day-to-day activities as organizational goals. The staff must then focus on and give priority to a small number of key result areas and obtain the commitment of the commander, who will then publish the organization's goals.

Subordinate managers should then publicize these goals in individual sessions with subordinates. Managers should ask each individual to outline what specific actions they can take to support the designated organizational goals. At the same time, managers should identify actions they believe their subordinates can take in meeting organizational goals. A joint meeting between

the manager and each of his subordinates should be used to identify every individual's objectives for the MBO cycle. Objectives should force feedback and insure a realistic timing of accomplishments. Most important, these objective setting sessions should result in measurable accomplishments so that the manager and subordinates know the status of the objectives at all times.

Action Planning

This step is really done in conjunction with the objective setting step. It involves the what, who, when, where and how much for each of the objectives. Care must be taken to be result oriented; focusing on outputs, not inputs. Care must be taken not to make MBO a paperwork process. Managers should only use forms when it is necessary to write out specific agreements between them and their subordinates as a reference for feedback and control progress reports.

Self-Control

Having set milestones, managers and subordinates can then meet at agreed intervals which should be a minimum of at least quarterly. These feedback meetings serve two purposes. First, they help to assess individual progress toward objective attainment; and second, they provide a forum for managers to meet with subordinates on a regular basis and to become aware of problems or difficulties in meeting established objectives.

One function of the feedback session should be to revise goals or to delete and add goals as necessary. All too often, we retain plans for long periods of time without considering changing resources or revising organizational goals. The second function of the feedback session, the monitoring of objective status on a regular basis, helps the manager to know at all times what his people are doing and how his specific unit is doing with respect to the organization's objectives.

At the organizational level, MBO monitors all activities related to achieving organizational goals. Officials can then meet with subordinate managers to determine status of organizational goals and report periodically to the commander and his staff. Again, the importance is to continually assess organizational activities and focus on problems which may arise because of shared resources or changed objectives.

Periodic Reviews

Finally, at the end of the MBO cycle, the commander and staff measure performance. The results should be no surprise if the periodic feedback sessions have been employed to assess progress at regular intervals. For example, if quarterly feedback sessions are used, the commander and his staff can measure the performance of the organization as a whole. The decision can then be made whether to maintain the present goals or to establish new goals for the next MBO cycle.

At the individual level, managers can meet with subordinates to discuss accomplishment of individual objectives and can help subordinates to measure their own performance. Once the informal performance appraisal is completed, then the link to formal appraisal can occur. In theory, performance appraisal should be easier since individuals helped set their own objectives. Most important, this process of participating throughout the cycle with managers in achieving organizational objectives should strengthen individual motivation.

Simply stated, the MBO process involves top level effort at establishing organizational objectives, an action plan to achieve those objectives, and a final performance review. The major share of responsibility rests with subordinate managers to negotiate individual objectives and insure through feedback sessions that organizational objectives are, in fact, met.

A summary of the MBO process is portrayed in Figure 1. Recognizing that this figure depicts the entire cycle, the reader can focus on where each individual's responsibility in the MBO process lies.

PITFALLS IN IMPLEMENTING MBO

A number of potential problem areas exist in dealing with an MBO program. None of these are unique to the Air Force; rather, they are common to any large organization attempting to implement change. However, most Air Force organizations adopting MBO

programs encounter one or more of these problems. Each is discussed here with a recommended method of coping with the problem. It is important that Air Force managers be aware of these problems and determine a way of dealing with them. Specific examples of these problems, along with suggested solutions, are found in the bibliographic references. Comments here are mainly from observations of Air Force programs and their solutions.

Management Commitment

It is extremely hard to implement an MBO program unless managers at all levels are truly committed. A program will not be successful if it is adopted by decree or reluctantly so as not to "rock the boat." Therefore, it is important for managers at all levels to study the philosophy of MBO, to know the assumptions necessary for a good MBO program, and to understand the process of the MBO cycle. It is clear that subordinates will quickly recognize when a manager does not fully support the MBO program. The result is a half-hearted attempt which usually dies in a matter of time. The best preventive for this problem is to arm each manager with as much information as possible so that they are convinced of the merits of such a program and can transmit this commitment to their subordinates.

Time Required for Results

Results from an MBO program are not immediate. In fact, most research suggests that three to five years are necessary before visible results in productivity and morale are obtained. Managers must keep this in mind and not expect too much upon the initial implementation of an MBO program. Nonetheless, the early success with a few organizational objectives can go a long way in building a strong program. By carefully selecting obtainable objectives in the first year, participants will achieve success and build upon that success in a positive manner in preparing for subsequent cycles.

Administration

Many MBO programs fail just a few years after initial implementation, because they become paperwork programs rather than management programs. To require detailed annotated feedback systems at all levels is time consuming and costly. In addition, dependence on forms, procedures, and written feedback tend to slow down the MBO process and inevitably managers begin to concentrate on their performance "on paper" rather than the achievement of specific objectives. Paperwork, therefore, should remain at the highest level possible so lower level managers and subordinates can use whatever system best suits their environment and work situation. Paperwork appears only to be absolutely necessary at the organizational level where the MBO monitor or project officer

must accumulate information from various sources in preparation for quarterly and annual reviews.

Defining Output

In setting objectives, the most difficult task in the Air Force situation is to define measurable objectives that truly represent the output or achievement of an individual manager and his organization. Terms such as "will result in a \$10,000 savings within one year" or "will increase the number of patrons served by ten percent this year over last year's number" should be used rather than terms such as "will improve" or "will increase." Further, managers must be careful to count those things that really "count." MBO is results oriented and, therefore, focuses on outputs only. Managers must understand that the defining and setting of objectives is the most difficult part of the MBO process.

Management Mobility

In the Air Force environment managers will probably change in an organization during a single MBO cycle. As more Air Force people become aware of and get involved in MBO programs, transition from one unit to another will be easier with respect to accepting a current MBO plan. If managers are unwilling to adopt a current MBO plan, the situation can be treated exactly the same as a revised goal situation during the feedback part of the MBO process. That is, the new manager would renegotiate objectives with their subordinates at the time they assume responsibility for the unit.

An advantage to this procedure is that subordinates would more quickly get a feel for the manager's concerns and priorities.

Link to Performance Appraisal

When MBO focuses on a few key result areas, the link to performance appraisal can present some potential problems. It is likely that the few key result areas take only a part of any one individual's efforts throughout the MBO cycle. Thus, there would not necessarily be a one-to-one correlation between achievement of objectives and a high performance appraisal. What must be considered is the contribution of each individual to the achievement of the MBO goals in addition to their everyday activities. Managers can correct any wrong impressions of their subordinates by making it clear from the start the contribution expected from each individual to achieve the MBO goals. This helps everyone to keep the MBO program in perspective and prevents this one management tool from being the only important factor to consider in the performance of daily activities. Other equally important areas of an individual's job should not be sacrificed solely for the sake of meeting an MBO related goal.

WHY MBO?

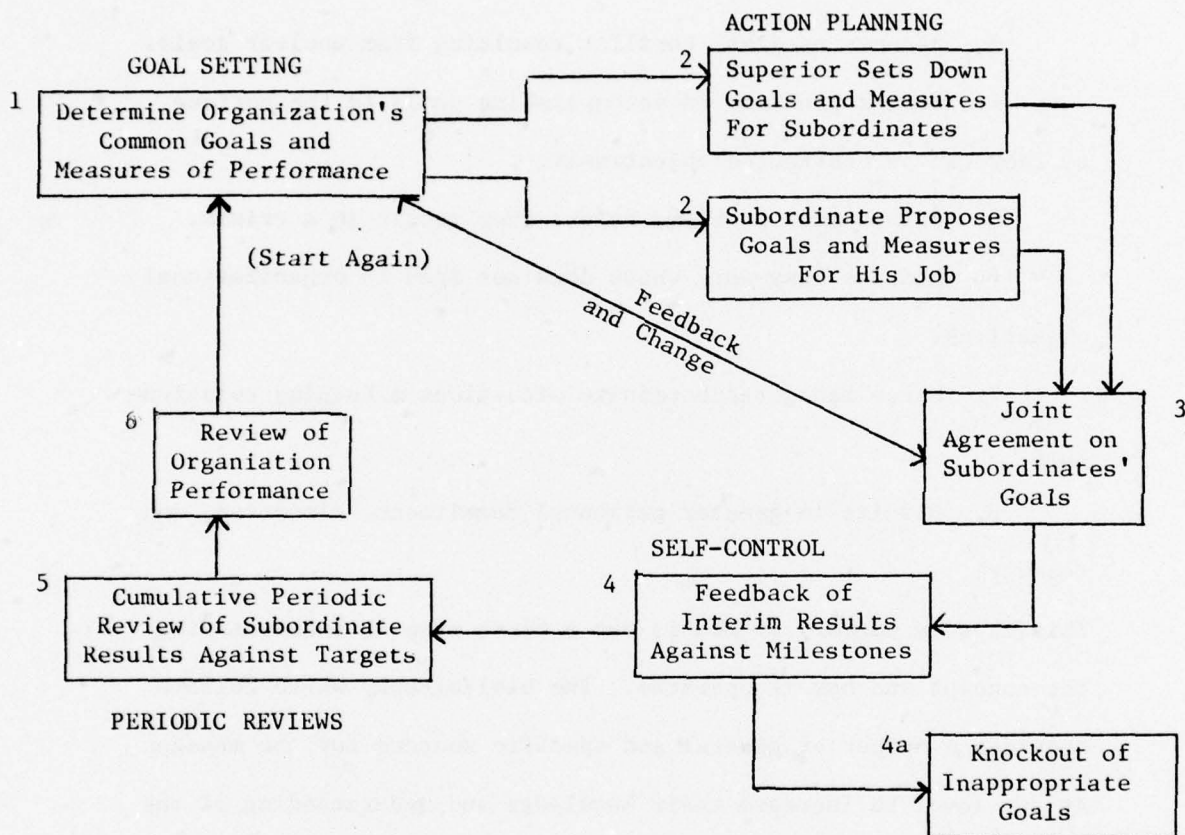
MBO is not a replacement for good management practice. Rather it is a structured way of doing what many managers have been doing for years. In a sense, it is more formalized but,

most important, it focuses on future events and results. Specific advantages of a good MBO program are:

1. Gives people a clearer understanding of what is expected of them and how well they are doing.
2. Improves communication.
3. Reduces needless conflict resulting from unclear goals.
4. Forces problems in accomplishing goals to the surface so they can be confronted objectively.
5. Solves many problems before they result in a crisis.
6. Reduces busy-work which does not lead to organizational objectives.
7. Makes manager-subordinate situations a helping relationship.
8. Results in greater personnel commitment, direction, and teamwork.

This capsule summary of MBO is but a first step in understanding the concept and how it operates. The bibliography which follows provides a number of general and specific sources for the manager at any level to increase their knowledge and understanding of the theory, application, successes, and failures associated with MBO.

THE CYCLE OF MANAGEMENT BY OBJECTIVES*



*Adapted from: G. S. Odiorne, Management by Objectives (New York; Pitman, 1965), p. 78.

BIBLIOGRAPHY

This bibliography is intended for those people with a desire to increase their knowledge about the theory and application of MBO. An attempt has been made to note those books and periodicals which Air Force personnel might find especially useful. For those new to the field of MBO, the books mentioned will provide an excellent introduction to the theory of MBO. The bibliography can then be used to locate periodical literature dealing with specific techniques and problems of implementation. The bibliography is arranged alphabetically by author name.

BOOKS

Carroll, S. K. and Tosi, H. L., Jr. Management by Objectives: Applications and Research. Macmillan, 1973.

Written for both the student and the practitioner, this book reports on the existing research findings relative to MBO and develops some practical guidelines for designing and implementing an MBO program. The authors conclude that this approach can improve organizational planning and managerial performance and attitudes. They caution, however, that MBO will fail or not live up to expectations if not given adequate support and not well integrated into the organization. The book provides numerous suggestions and operating guides. These generally focus on the implementation of MBO, on goal setting, on carrying out the review process, and on integrating MBO with other systems.

Humble J. W. Improving Business Results. McGraw-Hill, 1968.

Improving business results requires setting company objectives and improving the performance of management. The author defines MBO as a "dynamic system which seeks to integrate the company's need to clarify and achieve its profit and growth goals with the manager's need to contribute and develop himself." His emphasis is on the improvement of performance through the clarification of organizational objectives, the development of individual job improvement, and training plans. The author discusses in some detail typical sequence for introducing the program, some common problems in organization and control, and the implications for top management. The author also describes the experience of three foreign companies who have installed the program.

Migliore, R. Henry. MBO: Blue Collar to Top Executive. BNA Books, 1977.

Through case histories and examples, the author demonstrates MBO's applicability not only to managerial levels but to the blue-collar level as well. Dr. Migliore discusses the criticisms and testimonies of effectiveness of MBO, traces the development of MBO, and offers an MBO model to illustrate how the process works. The balance of the book offers "how to" advice on setting and writing objectives at lower organizational levels and on measuring MBO effectiveness.

Odiorne, George S. Management by Objectives. Pittman, 1965.

This is an introduction to the philosophy, method, and process of managing by objectives. The general approach is to treat MBO as a system. In addition to providing a description of the process and some guidelines for setting individual

and organizational goals, the author devotes several chapters to key questions and areas. These chapters include the level and extent of subordinate participation in goal-setting, the relationship of MBO to salary administration, and the problem of the annual performance review. He also provides some guidelines to facilitate the implementation of MBO in an ongoing organization.

Raia, Anthony P. Managing by Objectives. Scott, Foresman and Company, 1974.

This book is an attempt to provide a clear understanding of the fundamental concepts and tools required to design and implement an effective MBO system. Based upon existing management theory, research, and experience, this book reflects the author's view of the current state of both the science and the art of managing by objectives. This book specifically includes a comprehensive and concise view of the concept, develops a systematic approach to MBO, and shows students and practitioners how to use this approach to management.

PERIODICALS

Aplin, John C., Jr. and Schoderbek, Peter P. "MBO: Requisites For Success in the Public Sector." Human Resource Management 15 (Summer 1976): 30-36.

The two authors relate their own experience installing MBO programs in a wide range of public agencies. The authors discuss several constraints unique to MBO in the public sector and provide some helpful guidance to managers who must implement or administer MBO programs. MBO can be used effectively in the public sector, but only if the essentially different constraints of the public sector are kept in mind.

Babcock, Richard and Sorensen, Peter F., Jr. "A Long-Range Approach to MBO." Management Review 65 (June 1976): 24-32.

This excellent article deals with implementing MBO into an organization over a period extending from three to seven years. The gradual introduction and spacing of elements into organizational life heighten prospects for effective and lasting benefits from MBO techniques and enhance opportunities for a final, secure linking of MBO processes with longer-term goals and strategic planning. The authors contend that sudden immersion in the MBO process can be too much of a shock for many organizations. This article is a must if your organization has the time to allow for a gradual introduction of the MBO process.

Badawy, M. K. "Applying Management by Objectives to R&D Labs." Research Management 19 (November 1976): 35-40.

The author feels that MBO is a management system universally applicable to all organizations as long as it is properly implemented. Organizations such as R&D labs may have more difficulty in defining goals and measuring progress towards those goals, but it can be done nevertheless. The author outlines the conditions necessary for effective MBO implementation in almost any organization.

Beer, Michael and Ruh, Robert A. "Employee Growth through Performance Management." Harvard Business Review 54 (July-August 1976).

The authors describe a system which is now in use at Corning Glass Works. The system, called performance management system (PMS), incorporates the strengths of MBO along with a better way to help managers observe, evaluate and aid in improving the performance of subordinates. PMS is a three part program--MBO, performance development and review, and evaluation and salary review. MBO plays a critical role in ensuring individual and group results, but it fails to help subordinates understand what behavior they must modify or adopt to improve those results. This is a good article if one feels that there are shortcomings in traditional MBO performance appraisals.

Blai, Boris Jr. "Some Basics of Sound Human Relations." Personnel Journal (August 1974).

This article brings out some points that may be overlooked by the manager who is sincerely interested in human behavior. Before he implements MBO, participant management, or job enrichment techniques on his employees, he had better know the "basics" in very simplified language and form. All in all, this article is definitely worthwhile reading.

Brady, Rodney H. "MBO Goes to Work in the Public Sector." Harvard Business Review 42 (March-April 1974): 65-74.

Mr. Brady gives an excellent account of how MBO was introduced to the U.S. Department of Health, Education, and Welfare. First, he compares the differences involved in placing MBO in a profit-oriented private business vs. placing MBO in a non-profit organization in the public sector. Then he presents quite detailed outline, illustrated with diagrams, of the MBO process in HEW. The article continues with a sketch of the problems encountered with MBO. Mr. Brady finally draws very simplified and practical conclusions. Managers in non-profit organizations such as HEW or DOD should definitely look this article over.

Caldwell, Donald R. "Has Management Mismanaged Management by Objectives?" Savings & Loan News (October 1976): 94-100.

The author defends MBO against many of the charges against it and describes the benefits of an effectively implemented MBO program. The author also describes six steps and benchmarks for implementing an MBO program. This article is aimed at the Savings & Loan industry; however, almost any organization can easily adopt the information. The article concludes with the observations from several managers who are or have been involved with MBO programs.

Carlson, Gary B. "A Human Systems Approach to Coping with Future Shock." Personnel Journal (August 1974).

Presented in this article are the many behavioral topics of interest to the manager. The main thrust of the reading deals with the future of organizations (i.e., organization change and how to cope with it). The concepts presented apply to the Central National Bank in Chicago. Mr. Carlson points out the progress made in this organization since he joined it, when techniques such as MBO, job enrichment, OD, transactional analysis, and positive reinforcement were introduced. The article merely touches on these management processes. But Carlson gets his point across concerning the importance of an organization's openness to change. Although the reading deals specifically with a bank, the ideas presented here apply to any organization faced with the problem of a changing environment.

Carroll, Stephen J. and Tosi, Henry L. "Goal Characteristics and Personality Factors in a Management by Objectives Program." Administrative Science Quarterly 15 (September 1970): 295-305.

Carroll and Tosi present another extensive research project on the topic of MBO. As stated in the article, "This study correlated different characteristics of goals established in a management by objectives program to criteria hypothesized to represent success of the program. . . the results indicate that establishing clear and important goals produced favorable results especially for certain personality types. . . Subordinate influence over goals was not found to be an important goal characteristic." The study, even though quite thorough, reads easily; the quote above summarizes the key elements of this excellent research paper.

Coyle, Lee. "Opening the Lines of Employee Communications: A Case Study." Telephony 192 (April 4, 1977): 21-25.

This article is a testimony of how Ohio Bell's Southwestern Area Plant Department (ranked lowest in all of the

Bell System for productivity) was turned around to become one of the most productive departments in the Bell System. The author says nothing about the MBO system but instead concentrates on the "shock treatment" used to open the lines of communication. This article might be helpful to the organization stalemated by indifference and hostility.

De Roco, Alan Preston, et al. "Application of MBO to Naval Communications Management." Naval Post Graduate School, Monterey, California. March 1973. Defense Documentation Center Report AD 761 359.

This thesis is an excellent source for the manager who is interested in the concept of MBO. The author, furnishing thorough research on the topic of MBO, invested much time and effort in his study. He goes into detail 1) in describing what is meant by MBO, 2) in analyzing the concept, and 3) in assessing the often heard criticisms of the subject of MBO. Once he has established where he stands on the issue of MBO, DeRoco then proceeds to describe how MBO was actually implemented and developed in a U. S. Naval Communications Station. He discusses the problems encountered in the implementation and makes recommendations. Overall, it provides the reader an excellent background to MBO, including the difficulties to be expected.

Dillon, C. R. "MBO, Part 1: Setting Objectives." Supervisory Management 21 (April 1976): 18-22.

This is the first part of a two-part article that deals with MBO. The author's belief is that the future of a company can be influenced by objectives developed now. The author deals with four phases in setting objectives; finding organizational objectives, setting objectives: how many objectives, and appraisal by results. This article is short and fairly easy to read but is an adequate introduction to the importance of setting objectives in an MBO program.

_____. "MBO Part 2: Implementing Objectives and Measuring Progress." Supervisory Management 21 (May 1976): 12-16.

This is the second of a two-part article that deals specifically with implementing and measuring the objectives agreed on in Part 1. This article deals with the fact that objectives aren't any good unless someone makes them happen. Supervisors are responsible for motivating subordinates to accomplish objectives. Progress towards objectives should be measured periodically so that corrections can be made to remain on course and so that an effective appraisal is possible at the end of the cycle. Together with Part 1 this is an excellent and informative article on what happens in the ideal MBO cycle.

Drucker, Peter F. "What Results Should You Expect? A Users' Guide to MBO." Public Administration Review 36 (January/February 1976): 12-20.

Every administrator working with an MBO program should read this article. Mr. Drucker has put together his "users' guide" to MBO so the administrator in a public service job would know whether or not he is using MBO properly. Mr. Drucker makes it clear that most public service agencies have no objectives whatsoever. What passes for objectives are, as a rule, only good intentions. The author greatly emphasizes the importance of specifying good objectives.

Eastman, N. "MBO in R&D." Business Management (February 1970): 28-31.

This article describes how a management development program was integrated into the MBO system of an R&D department. The author provides sample forms and an example of a "Staff and Management Development Scheme."

Fay, Peter P. and Beach, David N. "Management by Objectives Evaluated." Personnel Journal (October 1974): 767-769.

This article basically says two things: 1) very little research has been done on the effects of MBO and 2) the use of MBO resulted in more managerial activity. This second statement is the conclusion drawn from a questionnaire developed to study the effectiveness of MBO. Unless the reader is interested in developing a questionnaire to investigate the MBO process in an organization, this article is not worthwhile reading.

Fenton, Noel J. "Managing the Adolescent Company." Management Review 65 (December 1976): 12-19.

The author is president and chief executive officer of Acurex Corporation (Mountain View, California). This article deals with the problem of a successful small company trying to shift gears and become a large company. The kinds of people who flourish while a company is young and just trying to stay on its feet often don't conform well to procedures and styles appropriate to becoming a large corporation. This corporation used management by objectives to get them on the tract for the future. The article points out how MBO can be an effective instrument for planning for the future or coping with a difficult time period.

Finley, Lawrence and Pritchett, Travis. "Managing the New Breed of Employee." Personnel Journal (January 1974).

The two authors criticize the stereotyped characteristics of the younger generation and then give their own interpretation of the qualities and expectations of youth today. They maintain that there are four areas of importance concerning the typical college graduate's expectations of his job:

1) compensation, 2) physical activity, 3) projects, and 4) the value of one's output. These points may be valuable to the military manager when in a goal setting environment with his youthful subordinate.

Ford, Robert C. and Bell, Robert R. "MBO: Seven Strategies for Success." SAM Advanced Management Journal 42 (Winter 1977): 14-24.

The controversy surrounding MBO has made it one of the major issues of conflict among managers. Some call MBO a cure-all; others say it is a waste of time. The authors argue that, indeed, both sides are right: MBO can be a success or a failure, depending on how the program is implemented. MBO is not for everyone, the authors state, but in those instances where it fits, it can significantly improve managerial communication and efficiency. To assist those who wish to implement MBO programs, the author presents seven strategies for successful implementation.

Galbraith, John Kenneth. "The Principle of Consistency." Personnel Administration (January-February 1969): 4-8.

Here is a philosophically-oriented article concerning the idea that "there must be consistency in the goals of the society, the organization, and the individual." And there must be consistency in the motives which induce organizations and individuals to pursue these goals. Galbraith states that in our society, a consistent goal for each level is that of maximizing wealth. For the MBO researcher, the main thrust of Galbraith's article is that "consistency is equally necessary in the case of identification." He feels that an individual will identify with his organization only if his organization is identified with, as this individual sees it, some overall social goal. The author's brief outline of the process of integration of these "leveled" goals makes the article worth reading, especially to the manager who is concerned that his subordinates identify with total organizational goals.

Gazell, James A. "MBO in the Public Sector." University of Michigan Business Review 27 (July 1975): 29-35.

This article discusses an instance in which a local government agency (Human Resources Agency of San Diego County), which sought to improve its performance with minority groups by changing its method of reaching decisions, succeeded in the installation of an MBO system. This article relates how the author, as a consultant, succeeded in getting an MBO strategy implemented in an agency of local government.

Glasner, Daniel M. "Patterns of Management by Results." Business Horizons (February 1969): 37-40.

Mr. Glasner presents a classification scheme for the patterns of results-oriented management. He says there are five patterns: task management, job management, man/job management, goal-oriented management, and accountability management. It is the author's purpose to at least make the manager aware that there are alternative methods to results-oriented management. In the process, Glasner describes each of these five patterns and the weaknesses of each.

Hand, Herbert H. and Hollingsworth, A. Thomas. "Tailoring MBO to Hospitals." Business Horizons 18 (February 1975): 45-52.

The authors outline their solution to the complex problem of high employee turnover and suboptimization of financial resources. The authors propose that MBO together with financial performance records can increase the performance efficiency of the hospital. The recommended MBO program considers all of the aspects commonly associated with determining output in hospitals: individual effort, technology, supervisory skills, raw inputs, clarity of job specifications, ability, and motivation. This article demonstrates that MBO can be applied to organizations where the output of the organization is not readily discernible (i.e., hospitals).

Hollmann, Robert W. "Applying MBO Research to Practice." Human Resource Management 15 (Winter 1976): 28-36.

The purpose of this article is to help bridge the gap between MBO research and practice. The author feels that the roads traveled by researchers and practioners do not intersect as often as they should. This article highlights some of the more salient research on MBO and discusses some of the pragmatic implications of that research. The article concentrates on six areas of MBO that have received most of the research attention: 1) introduction, 2) setting objectives, 3) characteristics of objectives, 4) nature of the review process, 5) support for the MBO program, and 6) monitoring the program. This article is worthwhile reading.

_____. "Supportive Organizational Climate and Managerial Assessment of MBO Effectiveness." Academy of Management Journal 19 (December 1976): 560-576.

Questionnaire data from 111 managers in a large utility firm showed significant positive relationships between supportiveness of the organizational climate in managers immediate work groups and their assessment of MBO effectiveness. Climate-MBO effectiveness relationships were moderated by managers' need for independence and the type of work performed, but unaffected by organization level. Operationally, the results of this study imply that firms experiencing difficulty with their MBO program should analyze the climates within groups using MBO. A good article to read if an organization contemplating implementing MBO anticipates problems.

Howell, Robert A. "A Fresh Look at Management by Objectives." Business Horizons (Fall 1967): 51-58.

Although it was written in 1967, this article presents the basic concepts involved behind the whole idea of MBO. Howell emphasizes the importance of top management involvement, peer goal setting, frequent performance reviews, multiple evaluations, and the superior's role. Then he states the basic advantages to an MBO program: 1) integration of objectives, 2) improved communications, 3) emphasis on significant areas, and 4) less duplication. Before Mr. Howell concludes, he brings out some of the problems an organization will encounter when MBO is introduced. It is obvious that the problems, concepts, and advantages to MBO in 1967 are very similar to what we have in 1977. The article is easily read, short, and worth the effort in order to get an appreciation or to review the basic foundation of MBO.

_____. "Managing by Objectives--A Three Stage System." Business Horizons (February 1970): 41-45.

Mr. Howell's article traces the process that an organization goes through in its development of an MBO system. He divides this process into three stages: 1) performance appraisal, 2) integration and 3) long-range planning. He maintains that the process of making a fully effective MBO system takes four to five years. The author offers a good description of how to adapt an effective MBO system to an organization. But the article is really only an outline of the topic of MBO implementation.

Horgan, Neil J. and Floyd, Robert P., Jr. "An MBO Approach to Prevent Technical Obsolescence." Personnel Journal (September 1971): 687-693.

Here is an article that deals with an overlooked application to MBO. As stated by the authors, "The purpose of this article is to present a guide for development and implementation of an MBO approach to prevent technical obsolescence." Their focus is on the improvement and broadening of functional skills in the organization. Mr. Horgan and Mr. Floyd outline what is meant by technical obsolescence, give ideas for the role of management and training staffs, and offer the reader sources for training information. Recommended reading for managers in the technical field.

Ivancevich, John M. and Donnelly, James H. and Lyon, Herbert L. "A Study of the Impact of Management by Objectives on Perceived Need Satisfaction." Personnel Psychology 23 (1970): 139-151.

This is a detailed scientific study of MBO. As stated by the authors, there are many articles written about MBO; but few are other than descriptive. These men thoroughly investigate the MBO process and their conclusions deal with the importance of: 1) top level management participation, 2) the method of implementing MBO, 3) finding the optimal number of needed feedback sessions, 4) recognizing MBO problem areas, 5) judging prudently the amount of time needed for the feedback phase, 6) realizing that performance measurement should be clear, relevant, and feasible, and 7) constant review of the MBO process. This is a valuable study to the manager with MBO aspirations.

Ivancevich, John M. "A Longitudinal Assessment of Management by Objectives." Administrative Science Quarterly 17 (March 1972): 126-138.

Ivancevich's purpose in this somewhat involved analysis of MBO is that. . . "it can serve as a starting point in longitudinally examining the job satisfaction and performance consequences of the technique." He emphasizes the point that active participation on the part of the manager is very important in a successful MBO program. The study utilizes statistical techniques in the analysis of need deficiencies found in lower level and middle level managers. Needless to say, Ivancevich does a thorough job in his analysis.

_____. "The Theory and Practice of Management by Objectives." Michigan Business Review 21 (March 1969): 13-16.

The author studies and compares the MBO programs of two different organizations. In one company, where the Personnel Director was the primary force in the implementation of MBO, there was little change in the need satisfaction of participating managers. In the other company, where top-level executives initiated the program and were very active in its implementation, the author noted considerable improvements in various need categories. He also summarizes a number of other findings and makes some tentative recommendations.

_____. "Changes in Performance in a Management by Objectives Program." Administrative Science Quarterly (December 1974): 563-574.

This article reports the results of an empirically based, 36-month study of performance in a manufacturing company using MBO. The study utilizes a multiple-time-series quasi-experimental research design. It analyzes the performance of the subordinates of 181 MBO involved supervisors in production and marketing departments. The study also considers and analyzes the effects of time lag, reinforcement, and sustaining improvements in performance.

Jamieson, Bruce D. "Behavioral Problems with Management by Objectives." Academy of Management Journal (September 1974): 496-505.

Here is a paper that concerns itself with some of the unwritten problems associated with the behavioral side of MBO. These problem areas are management style, top-level support, change adaptation, interpersonal skills, analysis of job descriptions and key results, the setting and framing of objectives, the measurement problem area, personal objectives, the problem of control as the means of goal achievement, and the problems encountered with MBO Quality Control. The list of potential problem areas is thorough and the author gives a good description for each. His conclusion is that being made aware of these potential trouble spots will not necessarily provide a successful MBO program for the manager, but ignoring these problems will certainly contribute to MBO's failure.

Jun, Jong S. "Introduction to Symposium on Management by Objectives in the Public Sector." Public Administration Review 36 (January/February 1976): 1-5.

The editor of the symposium gives this brief introduction and description of how MBO got involved in public administration and the organizational elements which must be present

for an effective MBO program. Before plunging into the following articles from the symposium, read this article as a warm-up.

Kleber, Thomas P. "The Six Hardest Areas to Manage by Objectives." Personnel Journal 51 (August 1972): 571-575.

In this article, Mr. Kleber sketches the six types of employment which are most difficult to manage by objectives. These are public relations, engineering and research, controllers, education, volunteers, and government agencies. He tells the reader why these areas are so difficult. The article's final note is an outline of suggestions for the implementation of MBO in any field.

Lasagna, John B. "Make Your MBO Programmatic." Harvard Business Review 40 (November-December 1971): 64-69.

The author lists some flaws in the MBO system. Specifically, he states two reasons why MBO may be a self-defeating process: 1) because the valid assumption that MBO is a uniform process and 2) because the "program" approach to MBO is many times too ambitious to result in a practical management technique. The problem with this article is that it deals with MBO in a specific organization. However, Mr. Lasagna offers some good advice that has the potential to improve the MBO process. He condones "a flexible method that realistically ties the overall effort to individual managerial needs." The article is at least worth reading.

Latham, Gary P. and Yukl, Gary A. "A Review of Research on the Application of Goal Setting in Organizations." Academy of Management Journal 18 (December 1975): 824-845.

The authors are mainly concerned with the effects of goals/no goals and easy goals/hard goals within an organization. Eight studies reviewed deal with goal setting in an MBO program, and all of the studies support goal setting. The conclusion of this article is that laboratory and field research on goal setting demonstrates the practical feasibility of goal setting programs as a means of improving employee performance. This is a good article if the manager is interested in knowing what effects goals will most likely have on performance.

Lea, Robert G. "An MBO Program for All Levels: One Company's Success Story." SAM Advanced Management Journal 42 (Spring 1977): 24-32.

At Paul Revere Life Insurance Company, management by objectives has been successfully used to set objectives and standards, objectively measure performance, and improve

communications within the organization. The MBO program at Paul Revere encompasses not only top and middle managers but also weekly paid employees within the organization. In this article, the author takes a look at what MBO is really all about and what it takes to make it work, then he reviews his own company's experiences in designing and implementing an MBO program and how the system has affected the bottom line. This is a good article detailing the how and why of a successful MBO program.

Levinson, Harry. "Management by Whose Objectives?" Harvard Business Review 48 (July-August 1970): 125-134.

Mr. Levinson offers some interesting criticism of the process of MBO. He feels that the MBO process leaves out personal objectives, which to him are more important objectives than the task objectives. As a result, many people leave organizations since they feel like they are just instruments for the company's goal accomplishment. The author does make this point clear, and he gives suggestions for improvement of MBO with that point in mind.

Lokiec, Mitchell. "Motivating the Worker." Personnel Journal (November 1973).

The author speaks of subordinate motivation in terms of motivating factors inside and outside the work environment. Mr. Lokiec criticizes common assumptions about subordinate satisfaction and various management techniques such as job enrichment. But it is unfortunate that the author did not pursue these points further. Motivation of the worker is much more complex than just a four page article. Good points are made in the article, but the reader gets a sense of "incompleteness" at the end of the article.

Management by Objectives--A quarterly review of Management by Objectives and related methods of improving management performance in industry, commerce, government, and other institutions.

This periodical, published by Classified Media Ltd. of England, is devoted exclusively to MBO. This is an excellent magazine for keeping up with the latest developments in the field of MBO.

"Managing by Objectives--Why It's Tough." Iron Age 203 (February 1969): 25.

This is another very brief article about MBO; but there is some value to it. Although there is difficulty involved in applying MBO, the main point here is that even though problems of implementation do exist for MBO, its advantages outweigh its disadvantages.

McCaffery, Jerry. "MBO and the Federal Budgetary Process." Public Administration Review 36 (January/February 1976): 33-40.

This article explains the use of MBO in the budgeting process. The author advocates that MBO can create more efficiency in the budgeting process and the MBO can fit each separate agency. MBO is not the answer, but it is useful as a tool for resource allocation and budget planning.

McConkey, Dale D. "MBO--Twenty Years Later, Where Do We Stand?" Business Horizons (August 1973): 25-36.

The areas of MBO that Mr. McConkey develops in this article are the history of MBO, the extent of MBO adoption, the impact of MBO on managing, the areas where MBO has failed, and the future of MBO. He emphasizes MBO's impact on management. This is an excellent account of MBO's progress and summary of twenty years of MBO application.

_____. "20 Ways to Kill Management by Objectives." Management Review 61 (October 1972): 4-13.

In this article the author provides a list of twenty ways to kill even a successful MBO program. The list can serve as a debugging checklist or as a method to effectively eliminate an unwanted program. The methods of killing MBO range from creating a paper mill, to omitting periodic reviews, to refusing to delegate to subordinates. The author concludes that a successful MBO program requires a competent manager to operate it.

Mobley, William H. "The Link Between MBO and Merit Compensation." Personnel Journal 53 (June 1974): 423-427.

Due to the wide divergence of opinions on the value of linking MBO and merit compensation, 625 middle to top level managers of a large corporation, who had been using the MBO process for an average of two years, were asked to indicate their perception of the relationship. The results of the study tend to reinforce the position that the arguments favoring linkage outweigh those against it. The article concludes that strengthening the MBO-merit compensation link is well worth considering.

Morrissey, George L. "Without Control, MBO Is a Waste of Time." Management Review 64 (February 1976): 11-17.

The author points out that too many organizations lack a means for closing the planning loop--that is, ensuring that the objectives are, in fact, accomplished. Setting goals or objectives does not mean the organization cannot deviate from those objectives, but it should be aware when it is deviating and why. Setting objectives is a meaningless activity unless

we have a means of either: (1) insuring that objectives are met or (2) deviating from planned progress with full awareness that such deviation is taking place and that there is justification for it. This is a good article that points out the necessity for control if MBO is to be successful.

Murray, Richard K. "Behavioral Management Objectives." Personnel Journal (April 1973): 304-306.

This is a short article, but it is rich with the concept of MBO. Mr. Murray does a fine job in explaining how a manager finds out if his employees are doing what he wants them to do. The article has something to offer for any manager who is especially concerned with communication with his subordinates. In fact, the author emphasizes the importance of communication in easy-to-read terminology. Overall, it is a good article.

Newland, Chester A. "Policy/Program Objectives and Federal Management: The Search for Government Effectiveness." Public Administration Review 36 (January/February 1976): 20-28.

This article mainly deals with various agencies attempts to implement MBO programs. These attempts are viewed from the idea that it is necessary to examine MBO in the context of dominant federal management and budgeting trends since the 1940's. This article is not recommended reading unless the reader is interested in knowing the history of trying to get MBO to function in various federal agencies.

Oberg, Winston. "Make Performance Appraisal Relevant." Harvard Business Review 50, 1 (January-February 1972): 61-67.

Mr. Oberg's article deals with the pitfalls encountered in nine different performance appraisal methods including MBO. His point is well taken when he states that employees at the lower levels of organizations sometimes do not want to be involved in their own goal setting. As far as MBO is concerned, the preceeding statement is the total value of the article. But the presentation of the pitfalls of eight other appraisal methods is valuable to the manager.

Odiorne, George S. "MBO in State Government." Public Administration Review 36 (January/February 1976): 28-33.

In this article the author relates the experiences of three states in implementing MBO. The experiences of the three states are condensed into a single illustrative case study. The basic pattern of MBO consisted of a five step program: goal setting, budgeting, autonomy, feedback, and payoffs. The author goes on to relate the special problems and lessons which emerged during each of the five steps. The author concludes that the lessons learned do not necessarily prove that

MBO has procedural or logical flaws, or that government is evil. It does demonstrate, however, that some special efforts are required to make MBO work. Turning a government into an achieving organization is never easy.

_____. "The Politics of Implementing MBO." Business Horizons 17 (June 1974): 13-21.

This is an excellent article that deals with the political realities that must be faced whenever implementing MBO (or for that matter any new program). One of the major reasons for the failure of MBO in many organizations is that those in charge fail to recognize the political character of the implementation process. The MBO implementer must not ignore political realities and his strategy of implementation must be tailored to the make up of the organization. Any of the three approaches, education, persuasion, or authoritarian directive, might work depending on the politics of the organization. The author outlines several political constraints and how to overcome them when implementing MBO.

_____. "Managing Bad Luck by Objectives." Michigan Business Review 26 (March 1974): 8-13.

This article deals primarily with what happens when an unforeseen act of God can send forecasts twirling down the drain. It is the thesis of the author that competent application of MBO will allow managers to deal with any future event. This article doesn't deal with implementing the MBO process but is excellent reading for those who feel that goal setting is impossible because of unforeseen future risks.

_____. "MBO in the 1980's: Will it Survive?" Management Review Vol. 66, No. 7 (July 1977): 39-42.

Mr. Odiorne presents his reasons why MBO has been reported a failure in some organizations, where it is currently most successful, and where MBO should spread to in the near future. This article is a summary of how MBO has been misused at times in the past and how MBO, if properly used, will spread and become an effective management tool in all areas. The conclusions will not be of much help in setting up or administering an MBO program, but they might help you to see that MBO could possibly be used more, and more effectively, in an organization.

"OMB Revises MBO to Sharpen Federal Program." Industry Week 187 (November 3, 1975).

This short (one page) article is merely a summary of the attempt of the White House Office of Management and Budget to get its MBO system back on track. The OMB is attempting to use MBO as a means of more effective management of the government. This article presents no useable information on MBO.

Owens, James. "The Values and Pitfalls of MBO." Michigan Business Review 26 (July 1974): 11-14.

In this article the author lists some of the values and pitfalls which can make or break an MBO program. This article attempts to answer the question of why MBO works in some organizations and fails in others. Presumably MBO will work if one can follow the values' and benefits' list while avoiding the pitfalls' list. A short article that does a good job of capturing the good and bad of MBO.

Patten, Thomas H. "Linking Financial Rewards to Employee Performance: The Roles of OD and MBO." Human Resource Management 15 (Winter 1976): 2-17.

This article is an excellent treatment of the relation between financial rewards and MBO. The author gives a detailed example of how accomplishing objectives can be linked to financial rewards. This article will provide some valuable information on linking rewards to performance and is worthwhile reading.

Prieve, E. Arthur and Wentorf, Dorothy A. "Training Objectives--Philosophy or Practice?" Personnel Journal 493 (March 1970): 235-240.

Training and Development are important aspects of the management process. In view of this, Prieve and Wentorf present an MBO approach to training. This article gives descriptions of training and development objectives, considerations in formulating objectives, statement of the objectives, and current practice of this approach to training and development. The authors present a specific aspect of MBO, vital to the management process as a whole.

Ramsey, Jackson E. "A Framework for the Interaction of Corporate Value Objectives, Corporate Performance Objectives, and Corporate Strategy." Journal of Economics and Business 28 (Spring-Summer 1976): 171-180.

The major thrust of this article is to provide a suggested framework for corporate objective and strategy interactions. The article does not provide any useable information concerning MBO and isn't really worthwhile reading.

Rettig, Jack L. and Amano, Matt M. "A Survey of ASPA Experience with Management by Objectives, Sensitivity Training and Transactional Analysis." Personnel Journal (January 1976): 26-29.

This article reports the answers given to a questionnaire mailed out by the authors. The article consists mainly of graphs comparing the perceived success of three methods of training (MBO, ST, TA). This article seeks to contrast the

opinions of professors in the "ivory tower" to the experiences of managers in the "real world." There is very little useful information in this article unless you are interested in the abilities of the professors to guess how managers would rate these three approaches.

Ryan, Edward J., Jr. "Federal Government MBO: Another Managerial Food?" MSV Business Topics 24 (Autumn 1976): 35-43.

The author discusses the attempt of the federal government to use MBO as a method of becoming more efficient. The author interviewed seventy-one high level government managers involved in federal MBO programs. The author draws several conclusions from the interviews, among them that there is clearly opposition to MBO both as an idea, its development and its administration. The wide spread extension of MBO in the federal government seems unlikely at this time. This is an excellent article for those interested in the use of MBO in the federal government.

Scott, Dru. "Productive Partnership--Coupling MBO and TA." Management Review 65 (November 1976): 12-19.

This article deals with the integration of Transactional Analysis (TA) with MBO. MBO is sometimes viewed as a paper-work program which does not always take into account human feelings and needs. TA is often seen as gimmicky jargon that does not really accomplish much. Neither of these are as worthless as their detractor believe, but neither are they panaceas. This article shows how TA can humanize MBO and how MBO can be TA to specific problems and goals. This is interesting reading for those who feel that MBO lacking in "warm fuzzies."

Sherwin, Douglas S. "Management of Objectives." Harvard Business Review 54 (May-June 1976): 149-160.

The author of this article asserts that the work of an organization is not the sum of many individual tasks, but is instead the achieving of an array of specified objectives and that these, whether they are ongoing or changing objectives, usually require the coordinated contributions of several individuals in different departments. Accomplishing individual objectives is not always as easy as it seems. Very often people are interdependent, and it makes sense to go ahead and organize your organization along those lines. This will probably be a helpful article if the defining of individual objectives is a hopelessly complicated task.

Sherwood, Frank P. "MBO and Public Management." Public Administration Review 36 (January/February 1976): 5-12.

The author's main point is that MBO must be seen in terms of its use as a management tactic, not as a management system. MBO has the potential for reassuring legislators and the public that government programs really will be accomplishing something. There is a push for accountability, and MBO can be a useful tool. This is a good article for an executive in a public job to look over if involved with or contemplating MBO.

Sloan, Stanley and Schrieber, David E. "What We Need to Know About Management by Objectives." Personnel Journal 49 3 (March 1970): 206-208.

Mr. Sloan and Mr. Schrieber deal with the question of why MBO has not been scientifically analyzed. The main point of the article, one can turn to the study made by Ivancevich, Donnelly and Lyon (Personnel Psychology, 1970, pp. 139-151) as a response. However, the article makes its point: there are very few scientific analyses available to the manager today concerning MBO. Almost all of the present articles on MBO are descriptive and without data that prove the relative value of MBO programs.

Slusher, E. Allen and Sims, Henry P., Jr. "Commitment through MBO Interviews." Business Horizons 18 (April 1975): 5-12.

This article analyzes the heart of any MBO system the process whereby superior and subordinate jointly determine individual job objectives. The focus of this article is the objective setting interview with the idea of improving two-way communication and showing that the interview is a process of negotiation and exchange. Several checklists outline the ideal before, during, and after MBO interview. This article does an excellent job of portraying both sides of the interview. A great help if either supervisor or subordinates are hesitant about the MBO interview.

Stein, Carroll J. "Objective Management Systems: Two to Five Years After Implementation." Personnel Journal (October 1976): 525-528.

A total of 428 lower and middle management personnel participated in a follow-up survey conducted in organizations where objective management had been in practice from two to five years. Ten organizations and the managers grouped problems into twelve major categories. This article goes on to describe why objective management systems fail, what they should accomplish, and how, and an examination of techniques and programs now in existence. This article is a must if your MBO program is logging down.

Stock, Garfield R. "PMBO: A New Management Style." Real Estate Today 10 (January 1977): 36-39.

Participative MBO (PMBO) is a system of management that involves each member of the business in making decisions which affect his job. It includes each person writing or rewriting his own job description and objectives and also means compensating each person on the basis of his contribution to the profitability of the business. The author touches on five different management theories in this article and attempts to draw something from each. This article is aimed at a small organization where the manager has plenty of personal contact with his subordinates.

Taylor, Bernard W. III and Davis, K. Roscoe. "Implementing an Action Program via Organizational Change." Journal of Economics and Business 28 (Spring-Summer 1976): 203-208.

The purpose of this article is to propose a systematic plan-implementation approach. The authors propose a model for organizational change based on Greiner's six-phase change procedure and the three step Lewin-Schein change theory. How the model was used to implement an MBO program in a major electronics firm is the major thrust of this article; very little information is given concerning the MBO program.

Thompson, Paul H. and Dalton, Gene W. "Performance Appraisal: Managers Beware." Harvard Business Review 48 1 (January-February 1970): 149-157.

This article points out that, "managers need to think through the human consequences of the evaluation and feedback procedures they set in motion." That statement is the whole thrust of this article. The authors conclude that an MBO appraisal system will help overcome the problems encountered in existing performance appraisal methods.

Tosi, Henry L. and Carroll, Stephen J. "Managerial Reaction to Management by Objectives." Academy of Management Journal 11 (December 1968): 415-426.

Tosi and Carroll have conducted a fairly extensive study concerning management's reaction to MBO. They find that although most of the results are positive toward MBO, there are problems that must be overcome. This is one of the few scientifically-oriented studies concerning MBO, or at least a specific aspect of MBO. The authors interviewed fifty managers, questioning them on their attitudes and philosophies of MBO, the purpose of MBO, the advantages of MBO, and the problems encountered with areas that need improvement in the application of MBO (e.g., top level support, increased feedback, etc.). Tosi and Carroll provide valuable information to the manager in this article.

Tosi, Henry L. and Carroll, Stephen J. "Management by Objectives." Personnel Administration 33 (July-August 1970): 44-48.

These two well-known MBO advocates outline very briefly the practice of MBO. Their main point is that even though MBO is good for performance appraisal, it is also good for better planning, increased motivation, and subordinate ego involvement. Besides these topics of discussion, Tosi and Carroll also briefly describe some of the problems encountered with MBO. This is a brief, but thorough, outline.

Tosi, Henry L.; Hunter, John; Chesser, Rod; Tarter, Jim R.; and Carroll Stephen J. "How Real Are Changes Induced by Management by Objectives." Administrative Science Quarterly 21 (June 1976): 276-306.

The authors present a statistical analysis of data collected in two firms to assess the effects of management by objectives and how various components of MBO are related to one another. Cross-lag correlational techniques were used to draw causal inferences. This analysis resulted in a "model" of MBO and a conclusion that the subjects' perceptions of MBO changed over time. Several important methodological issues of self-report data are highlighted. This article is not light reading but is a scientific examination of MBO.

Tosi, H.L., Jr.; Rizzo, John R.; and Carroll, S.J. "Setting Goals in Management by Objectives." California Management Review 7 (Summer 1970): 70-78.

This is essentially a restatement, in language that can be understood by the practicing manager, of many of the research findings reported by the authors in some of their earlier writings on the subject. In this article they discuss the focus, purpose, and process of managing by and with objectives. A number of useful guidelines establish objectives, develop an action plan for their accomplishment, and provide for measurement and appraisal at the end of the cycle. The importance of top management support and involvement in the process is stressed throughout their descriptions.

Umstot, Denis P. "MBO + Job Enrichment: How to Have Your Cake and Eat It Too." Management Review 66 (February 1977): 21-26.

Lt Colonel Umstot advocates using a combination of MBO and job enrichment. A company was created solely for research purposes. The workers were hired, paid, etc., exactly like any other company except that the researchers had more control over external influences. Workers were divided into four

groups, and the Job Diagnostic Survey was given to the employees to find if jobs were perceived as enriched or unenriched and structured or unstructured. (They were) "Predictions were confirmed--job enrichment had a major impact only on job impact on productivity. Perhaps an even more important result is that setting specific goals did not cause satisfaction to decline. In fact, goals seemed to have some enriching effects on their own--setting goals seemed to add interest to an otherwise very boring job." This article summarizes experiment appearing in Journal of Applied Psychology, August 1976.

Wade, M. "Only Way to Manage (By Objectives)." Business Management (July 1967): 34-39.

This is a discussion of the application of MBO in two companies. In one company, the program started at the top. In the other it started at the departmental level. The author suggests that MBO is not just another management gimmick but rather allows the manager to plan and work as a professional.

Weinrich, Henry. "MBO--Quo Vadis?" Management Review 66 (January 1977): 43-44.

This short article outlines six steps for implementing a comprehensive MBO system: 1) setting objectives and developing a strategic plan, 2) developing action plans or alternative actions necessary to achieve the objectives, 3) implementing action plans, 4) measuring performance against verifiable objectives, 5) basing compensation on performance against verifiable objectives, 6) integrating organizational and managerial development with MBO. The author's main point is to view MBO as a system of channeling all efforts towards results. MBO also keeps the organization in tune with the environment. Article condensed from Journal of Systems Management (September 1976).

_____. "MBO: Appraisal with Transactional Analysis." Personnel Journal (April 1976): 173-175.

The intent of the author is to build on the strengths of MBO, add an important ingredient, transactional analysis, and thus overcome potential weaknesses of MBO. This article provides a brief outline of both MBO and TA and stresses how TA can be used to make the MBO appraisal interview a more productive session for both superior and subordinate. This article provides valuable insight into the interactions between superior/subordinate during the appraisal period. This article is worthwhile reading.

_____. "Management by Objectives: Does It Really Work?" University of Michigan Business Review 29 (July 1976): 27-31.

This article contributes to the scientific study of MBO. Although large financial institutions gathered the data for this article, the findings are valuable to managers in other organizations. 650 questionnaires were mailed out, 278 were used in the analysis of data. The purpose of this article is to discuss the benefits and problems of MBO and to make recommendations to realize its advantages and overcome its weaknesses. A wealth of helpful information is provided in the conclusions and recommendations. Worthwhile reading.

Weihrich, Heinz. "MBO in Four Management Systems." MSV Business Topics 24 (Autumn 1976): 51-56.

The author describes MBO in each of the four systems of management described by Rensis Lihert and his associates. The author suggests that MBO should not be implemented with a "try it and see what happens" approach. The organization should first measure critical organizational characteristics and then develop a change strategy that includes MBO and organizational characteristics. The effective implementation of MBO will require time and efforts, but the results should be worthwhile.

_____. "MBO: Theory X and Theory Y." Personnel Administrator 22 (February 1977): 54-57.

In this article the possible effects of two different sets of assumptions (Theory X and Theory Y) on the fundamental steps of MBO are proposed. The author makes the point that Theory X and Theory Y are only assumptions, not managerial strategies, and the assumptions superiors make about their subordinates will have a definite effect on the MBO process.

_____. "An Uneasy Look at the MBO Jungle: Toward a Contingency Approach to MBO." Management International Review 16 (No. 4, 1976): 103-109.

The author presents a framework to classify the different MBO approaches in respect to the degree of integration of MBO with key managerial activities. These activities grouped according to the functions of planning, organizing, staffing, directing, and controlling, allows MBO systems to be categorized as those with a low degree of integration (MBO System 1) to those with a high degree of integration (MBO System 6). This article probably won't be much help to the practicing manager because instead of presenting material relating to the application of MBO, the author concentrates on developing a scheme for classifying MBO approaches.

Wickens, J. D. "MBO: An Appraisal." Journal of Management Studies 5 (October 1968): 365-379.

There are some limitations, according to this author, to the universal application of MBO. A number of earlier attempts to establish the approach in British organizations failed because it did not become institutionalized. The author provides a review and analysis of some of the theory of organizational behavior as the basis for describing a case study. The focus of his description is generally on the interrelatedness of human motivation, the technological environment, and management practices. He concludes that MBO may be universally applicable provided that the organization structure and management practices are modified to facilitate its implementation and provided that an appropriate "psychological model" is used.

Williams, D. N. "Manage Your Output, Not Your Input." Iron Age 20 (August 6, 1970): 52-53.

One gets the idea that this is a 1970 progress report on MBO. The article deals with how MBO is working in a small company. According to Mr. Wilson, the idea is to keep your objectives simple in order to avoid unnecessary complications in your MBO program. Other than that, all the author does is relate top management feelings toward MBO in a specific small company.